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FISCAL IMPACT STATEMENT

LS 7031

BILL NUMBER: HB 1248

NOTE PREPARED: Feb 13, 2015

BILL AMENDED: Feb 12, 2015

SUBJECT: Urban Farming.

FIRST AUTHOR: Rep. Moed

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Programs to Support Urban Farming*: This bill requires the Indiana State Department of Agriculture (ISDA) to develop and promote programs in support of urban farming, food cooperatives, and farmers' markets.

Local Farm and Food Council: The bill establishes the Local Farm and Food Council to study certain topics concerning the growth of an Indiana based local farm and food product economy and make recommendations to the ISDA. It allows the ISDA to implement the council's recommendations.

Indiana Farm and Food Fund: The bill establishes the Indiana Farm and Food Fund.

Farm Commodities and Market News Service: The bill also establishes a Farm Commodities and Market News Service, including a pilot program, within the ISDA, to be funded from the Livestock Industry Promotion and Development Fund.

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) *Programs to Support Urban Farming*: The fiscal impact of this requirement would depend upon the nature of programs developed by the ISDA in addition to the programs ISDA is currently operating, and it could result in the need for additional staff and resources depending on administrative decisions.

(Revised) *Local Farm and Food Council*: The bill establishes the Local Farm and Food Council and provides that it will consist of 12 members. Four members of the council will be:

- (1) The director of the ISDA or their designee.
- (2) The state health commissioner or their designee.
- (3) The chairperson of the Indiana Housing and Community Development Authority or their designee.
- (4) One agricultural specialist from the Purdue University cooperative extension service appointed by the director of the Purdue University cooperative extension service.

The remaining 8 members would be appointed by the Lieutenant Governor and represent various farming and agriculture sectors.

The bill provides that the council is to meet at least 4 times annually to study and make recommendations to the ISDA concerning various topics focused on local farming and the local food economy. Staff and administrative assistance would be provided by the ISDA, and research and other assistance deemed necessary would be provided by the Indiana State Department of Health, the Indiana Housing and Community Development Authority, and Purdue University's cooperative extension service. Further, the bill requires the council to submit an annual report to the General Assembly and the Governor beginning in FY 2017. The bill provides for a sunset date of the council on July 2, 2020.

(Revised) *Indiana Farm and Food Fund*: The bill establishes the nonreverting Indiana Farm and Food Fund to provide grants and loans to farms, businesses, organizations, and local governments. The fund will be administered by the ISDA. The bill provides that the fund will consist of appropriations from the General Assembly, gifts, contributions, and grants. The bill does not appropriate money to the fund.

(Revised) *Farm Commodities and Market News Service*: The bill requires the ISDA to establish a Farm Commodities and Market News Service pilot program beginning in FY 2016. Beginning in FY 2018, the ISDA would be required to expand the pilot program. The programs are required to provide marketing assistance to the agriculture industry and provide a market news service to aid producers in the sale and purchase of agricultural products. The bill allows the ISDA to enter into cooperative agreements with the USDA or any other federal agency in order to implement these requirements.

The bill also provides that the Livestock Industry Promotion and Development Fund would be a source of funding for these programs. As of February 12, 2015, the fund had an available balance of about \$440,000.

(Revised) *Additional Information* - The ISDA operates the Indiana Grown Program and partners with the Indiana Office of Tourism Development to provide the Indiana Agritourism and Farmers' Market Online Directory. The ISDA currently has two full time staff members that work in the local foods area. In addition, the ISDA issued two grants totaling \$113,322 in FY 2013 and one grant totaling \$82,245 in FY 2014 with funding from federal Specialty Crop Block grants.

The Livestock Industry Promotion and Development Fund is a nonreverting dedicated fund administered by the ISDA. The ISDA may make grants from the fund to associations or organizations for the following purposes:

- (1) To conduct or support livestock industry shows, sales, expositions, conventions, or similar events throughout Indiana consistent with the purposes of this chapter.
- (2) To support expanding markets for Indiana livestock producers by encouraging the development of business and industry related to livestock production, processing, and distribution.

The Livestock Industry Promotion and Development Fund consists of state General Fund appropriations. Also, 50% of the revenue received from the Pari-Mutuel Satellite Facility Tax is deposited in the fund. This bill also provides that the ISDA may solicit grants and gifts from public or private sources for the fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Local government units would be able to apply for grants and loans from the Indiana Farm and Food Fund.

State Agencies Affected: Indiana State Department of Agriculture; Indiana State Department of Health; Indiana Housing and Community Development Authority; Purdue University.

Local Agencies Affected: Potentially all.

Information Sources: David Bausman, Indiana State Department of Agriculture; Indiana State Department of Agriculture web site; State Auditor's Data.

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